

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

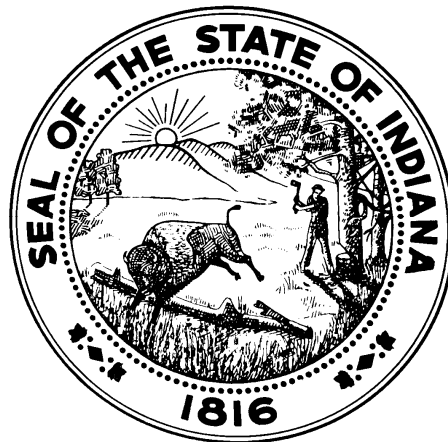
AUDIT REPORT

OF

COUNTY AUDITOR

CASS COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

12/18/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Dawn R. Conner	01-01-05 to 12-31-08
President of the County Council	Chod Gibson	01-01-06 to 12-31-07
President of the Board of County Commissioners	Richard Eller Steven M. Kain	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF CASS COUNTY

We have audited the records of the County Auditor for the period from January 1, 2006 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Cass County for the year 2006.

STATE BOARD OF ACCOUNTS

September 20, 2007

COUNTY AUDITOR
CASS COUNTY
AUDIT RESULTS AND COMMENTS

PREScribed FORMS

The following prescribed or approved forms were not always in use, County Form 9 (Tax Duplicate), Form 18TJ (Personal Property Tax Judgment Receipt), Form 24B (Fund Ledger and Ledger of Receipts, Form 16 (Warrant and Warrant Register), Form 61 (Monthly Financial Statement), Form 20-21 (Combination Quietus and Application to Pay), Form 65 (Register of Taxes Collected), and others. Unapproved forms generated by the County's accounting and property tax software were used to replace some of these forms. These unapproved forms did not always provide all of the information required on the prescribed forms.

Officials and employees are required to use State Board of Account prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

CONDITION OF RECORDS

The County Treasurer's daily record of cash and depositories does not agree to the records posted by the County Auditor. Tax sale costs are transferred by quietus as the County is billed for tax sale services. The County Auditor is transferring tax sale costs by quietus for the amount certified by the County Treasurer at settlement as shown on form 49TC (County Treasurer's Certificate of Tax Collections). The County Treasurer's records are posted for the account balance of the fund at the time of settlement.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

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CONGRESSIONAL SCHOOL FUNDS – DISTRIBUTION OF INTEREST

As noted in prior reports, interest earned on Congressional School funds has not been distributed to the county school corporations since their reorganization on January 1, 1963. The amount undistributed at December 31, 2006, was \$82,078.

Indiana Code 20-42-2-7 states: "The county auditor of each county shall, semiannually, on the second Monday of July and on the last Monday in January make apportionment of the amount of the congressional township school revenue belonging to each school corporation. The apportionment shall be paid to each school corporation's treasurer."

COUNTY AUDITOR
CASS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

SURPLUS TAX

The surplus tax subsidiary record is not reconciled to the surplus tax fund.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

ANNUAL REPORT

Twenty funds were combined into nine funds on the County Annual Report. Information was not included in the report to identify what funds were combined. The indebtedness section did not include a highway equipment lease and \$2,000,000 that was borrowed by the County and then subsequently granted to the corporation building an ethanol plant.

Indiana Code 5-11-1-4(a) concerning annual reports, states in part: ". . .these reports shall be prepared, verified, and filed with the state examiner within 30 days after the close of each fiscal year."

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COUNTY AUDITOR
CASS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2007, with Dawn R. Conner, Auditor; Steven M. Kain, President of the Board of County Commissioners; and Thomas R. Keplar, Vice-President of the County Council. The officials concurred with our audit findings.